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C O N F I D E N T I A L SECTION 01 OF 03 WELLINGTON 000461

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SUBJECT: NEW ZEALAND - MINISTER ON POLITICS, ISLAM AND
IMMIGRATION, TELECOMMUNICATIONS, TRANSTASMAN COOPERATION

REF: A. WELLINGTON 413

[1](#)B. WELLINGTON 284

Classified by Consul General John Desrocher for reasons 1.4
(b) and (d).

(U) This message was drafted by ConGen Auckland and approved
by Embassy Wellington.

[1](#)1. (C) Summary. Up-and-coming Labour Party Minister David
Cunliffe is confident about his party's reelection chances
despite poor recent poll numbers. He is also confident about
successfully dismantling New Zealand's telecommunications
monopoly despite the challenges. Cunliffe is concerned about
anti-Muslim sentiment among Kiwis, as well as efforts by
radical imams to emigrate to New Zealand to preach. He
predicted efforts to salvage plans for a joint drugs
regulatory agency with Australia would fail. End summary.

If a week is a long time in politics, 18 months is forever

[1](#)2. (C) Over lunch with ConGen Auckland PO on June 15, David
Cunliffe, New Zealand's minister for both immigration and
telecommunications, acknowledged the Labour Party's dismal
showing in recent polls (ref A) but expressed apparently
genuine optimism about Labour's prospects for returning to
power in next year's elections. Given that Labour has been
in power for eight years and that the opposition National
Party has a fresh new face at the top (John Key), Cunliffe
said, it is no surprise that National is polling so well.
Pointing out that elections are as far as 18 months away,
Cunliffe said Labour had plenty of time to make up the lost
ground and would do so.

[1](#)3. (C) Cunliffe said there was last year debate within
Labour regarding how to respond to the then-National Party
leader, the intellectually respected but politically awkward
Don Brash. Many in the Labour caucus, Cunliffe said,
believed that Brash's clumsiness was a gift to Labour, and
that Labour should do all it could to ensure Brash remained
leader of the opposition. Most Labour MPs, however, argued
that Key would certainly unseat Brash before the next
election. If it was inevitable that Key rather than Brash
would lead National into the next election, the argument
went, it was in Labour's interest to have Key in the
opposition leader's seat as soon as possible so that the
friction of politics could rub away some of his glow. Better

to run against Key when he's been opposition leader for 18 months rather than only 4-6 months. Therefore Labour kept the heat on Brash, doing whatever they could to speed his downfall.

Battling the Monopoly

14. (C) Cunliffe was also upbeat about his telecommunications portfolio, despite the challenges. He is currently trying to break up Telecom, which enjoys a monopoly in most New Zealand telecommunications sectors and what Cunliffe called a "cozy duopoly" with Vodafone in mobile telephony. New Zealand's overpriced cellular services, Cunliffe said, made clear there was room for a third provider. He expected the entry of a third player in the market to be announced reasonably soon. He said that, in slowing investment and throwing up roadblocks to reform, Telecom was behaving exactly as any monopoly would when faced with being dismantled. He acknowledged that significant government investment in the sector might be required, particularly in broadband, where NZ's performance against other OECD members has lagged and where the country's vast and nearly empty rural areas make providing universal coverage a challenge. He noted that people have become very dependent on broadband access in just a few years and reported that his constituent office received far more complaints about broadband access than about any other issue, including the recent, highly-unpopular anti-spanking legislation (ref B).

Immigration

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15. (C) Cunliffe's constituency is one-third foreign born, the largest percentage of any electorate. He said that, while New Zealanders are generally very tolerant of different cultures, the country did suffer from cyclical waves of anti-immigration sentiment - anti-Pacific in the eighties, anti-Asian in the nineties, and anti-Muslim today. When the PO expressed surprise at the latter, given that Muslims, particularly Arab Muslims, are nearly invisible even in multicultural Auckland, Cunliffe acknowledged that the population was small, but concentrated. He said that Muslims drew suspicion and hostility from other Kiwis who view them, for no good reason, as a security threat. While emphasizing that New Zealand Muslims are loyal to their adopted country and inclined to leave the conflicts of their homelands behind them, Cunliffe expressed some concern that more radical imams are trying to enter the country and stir up trouble. Asked what tools he had to exclude those who have committed no crimes but still might be considered a threat, Cunliffe turned coy. "Some people simply find their visas don't get renewed," he said. Cunliffe was confident that such imams are being pushed to New Zealand by radical elements outside the country, rather than pulled into New Zealand by congregations seeking more extreme preachers.

16. (C) Cunliffe reported that Asian immigrants' approach to politics was evolving. The first generation from China, Taiwan, and Korea eschewed politics, focussing instead on growing their businesses and educating their children. The next generation, however, is more active in politics. Cunliffe, whose electorate office issues some documents in Korean, has a number of young Asian staff members. According to Cunliffe, both major parties are trying to reach out to this generation. They are not perceived as having a natural political home. He described them as largely nonideological, choosing party allegiance based on their judgement of how best to fulfill their ambitions rather than out of loyalty to a certain political point of view. Asian voting patterns tend to reflect the neighborhood, Cunliffe said, they vote National in National areas and Labour in traditionally Labour

communities.

God and Politics in New Zealand

17. (C) Cunliffe also discussed the intersection of religion and politics in New Zealand, in the context of disgraced Labour MP Taito Philip Field's maneuvers to set up a Christian political party. Cunliffe said that New Zealanders are not as secular as generally thought. Their Christianity, however, tends to be overlooked in politics because it is not focussed in a particular part of the spectrum. Christianity in New Zealand, Cunliffe explained, runs the gamut from liberation theology on the left, to more traditional European Christian democracy in the center to evangelical fundamentalism on the right. Cunliffe argued that no religious party would be able to cross the 5% threshold for entry into parliament as the potentially most potent religious force, the evangelicals, were too divided, but he allowed that a particularly charismatic religious politician might be able to win a constituency seat and pull a few colleagues into Parliament on his/her coattails. Cunliffe thought the odds of this were long and that neither Field nor Brian Tamaki, the head of the high profile evangelical Destiny Church, could be that politician. Nonetheless, Cunliffe added, Labour recognized that it had neglected those New Zealanders to whom faith is important, a failing the party would attempt to rectify between now and the election.

18. (C) If so, apparently not everyone in the Labour caucus got the memo. In a separate conversation, Labour backbencher Ross Robertson lambasted fellow Labour MP Winnie Laban's recent proposal to abolish Parliament's opening prayer. Robertson had spent a subsequent constituency meeting dealing exclusively with angry questions about the proposal. Asked why Laban would propose something sure to alienate many while inspiring few, Robertson shrugged and suggested that Laban was trying to make friends with Labour's very secular far left. (Comment: Laban is well known to Mission New Zealand, and we would guess her proposal is more likely linked to her role in New Zealand's inter-faith dialogue, a forum she strongly supports. End comment.)

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Transtasman Drugs Agency - Good Policy, Bad Politics

19. (C) The upbeat Cunliffe turned negative when asked about Foreign Minister and New Zealand First party leader Winston Peters' efforts to salvage the government's attempt to set up with Australia a joint drug regulatory agency. Cunliffe suggested the proposal was dead and was disappointed that the government had ever pursued it. From a management and efficiency perspective, Cunliffe said, such an agency made perfect sense, "a no-brainer." But it was a political mistake. Cunliffe explained that there were far more votes to lose than to gain. An arcane exercise in setting up a regulatory agency would not exactly energize Labour's base, but it would offend a significant number of people. Holistic treatment adherents (many of whom are Cunliffe constituents) fear the agency will outlaw alternative medicines while ultranationalists see any cooperation with Australia as a step down New Zealand's path towards becoming just another Australian territory. Cunliffe predicted Peters' efforts to save the proposal would fail.

Bio Notes

110. (C) Cunliffe is a former diplomat and is widely touted as one of Labour's future leaders. Asked why he left the diplomatic service, he said he was more temperamentally suited

to politics than to diplomacy. Another reason he cited for leaving was so that his spouse, whom he described as the family's breadwinner, could return to her law practice. Cunliffe, who spent six years studying and working in the U.S., comes across as genuinely pro-American. While a student, he worked on Senator Kennedy's re-election campaign against Governor Romney. Cunliffe has a mixed reputation among his colleagues, some of whom have complained to Embodys that he is arrogant and (ironically) undiplomatic.

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